

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  U.S. ENERGY SERVICES, INC.	DOCKET NO. CGP-01-1
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**ORDER APPROVING APPLICATION AND ISSUING CERTIFICATE**

(Issued October 17, 2001)

On May 22, 2001, U.S. Energy Services, Inc. (U.S. Energy), filed an application for a certificate as a competitive natural gas provider (CNGP) with the Utilities Board (Board). The application has been identified as Docket No. CGP-01-1. The Board's rules at 199 IAC 2.2(18) and 19.14 establish the filing requirements for the issuance of a certificate. Subrule 19.14(4) states that an applicant will be notified of any deficiencies in the application. U.S. Energy was notified of deficiencies and filed the additional information requested. On July 20, 2001, the Board notified U.S. Energy that the application was complete and the 90-day review period had begun.

U.S. Energy is a subchapter "S" corporation organized under the laws of Minnesota. U.S. Energy has obtained a certificate from the Iowa Secretary of State to do business in Iowa. U.S. Energy is an employee-owned energy management and consulting company that primarily acts as an agent for its customers, but does at times take title to gas as a marketer. U.S. Energy's business activities make it subject to Board jurisdiction under Iowa Code § 476.86 and Board rule 199 IAC 19.14.

Subrule 199 IAC 19.14(2) allows CNGPs providing service in Iowa prior to April 25, 2001, to continue providing service during the certification process. U.S. Energy is covered by that subrule.

Iowa Code § 476.87 requires that a competitive natural gas provider or aggregator, both defined as CNGPs in 199 IAC 19.14(1) must reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. The Board in 199 IAC 2.2(18) and 19.14 established the filing requirements for a CNCP to obtain a certificate. These requirements contain the information determined by the Board to be necessary to review the managerial, technical, and financial abilities of the applicant.

As required, U.S. Energy's application contains the professional background information for its principal managerial and technical personnel. By letter dated October 10, 2001, U.S. Energy notified the Board that it was only seeking authority to provide service to large volume customers and therefore did not need to meet the financial requirements for providing service to small volume customers.

Based upon the information provided, the Board finds that U.S. Energy's staff possesses extensive knowledge of and experience in various areas of the natural gas industry including marketing of natural gas service. The Board has reviewed the financial information submitted and finds that U.S. Energy has sufficient financial resources to provide competitive natural gas services to large volume customers. Additionally, U.S. Energy expressed its commitment to comply with all applicable

conditions of certification contained in 199 IAC 19.14(5) and (6). U.S. Energy also acknowledged that failure to comply with all applicable conditions may result in the revocation of its certificate.

Based on a review of U.S. Energy's application, the Board finds that U.S. Energy has reasonably demonstrated that it possesses the appropriate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. The Board finds that U.S. Energy's application complies with the filing requirements of Board rules, and that U.S. Energy will be issued a CNGP certificate. The Board finds that no additional conditions should be placed on the certificate.

Concurrently with the issuance of this order, the Board will issue a certificate identified as Certificate No. G-0008, to U.S. Energy. The certificate will be to provide service to large volume customers only. If U.S. Energy decides to provide service to small volume customers it must file to amend its certificate. U.S. Energy will be subject to the reporting requirements contained in 199 IAC 19.14(5)"c," once the certificate is issued.

**IT IS THEREFORE ORDERED:**

1       The application for a certificate as a competitive natural gas service provider in the state of Iowa filed by U.S. Energy Services, Inc. on May 22, 2001, is approved.

2. U.S. Energy Services, Inc., shall comply with the filing requirements of 199 IAC 19.14(5).

3. Certificate No. G-0008 shall be issued to U.S. Energy Services. Inc.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Mark O. Lambert

Dated at Des Moines, Iowa, this 17<sup>th</sup> day of October, 2001.